

EXHIBIT II

CONFLICT OF INTEREST POLICY AND GIFT ACCEPTANCE POLICY PARISHES WITHIN THE TERRITORY OF THE ARCHDIOCESE OF DENVER

SECTION 1: PURPOSE

The Parishes within the territory of the Archdiocese of Denver (the “Archdiocese”) and their Ecclesiastical Organizations (e.g. Parish schools, auxiliary organizations and school foundations) are subject to scrutiny by, and are accountable to, their Parishioners, donors and various governmental entities. As religious organizations exempt from federal income tax, Parishes must also meet the requirements of the Internal Revenue Code and state law.

This Policy is intended to meet the requirements of state and federal law, but has also been developed to remind all who work for or on behalf of the Parishes of their special degree of accountability as faithful servants of the Church and the need for operating with the highest ethical standards. The manner in which we, as individuals, provide service to the Church demonstrates to those around us the nature of our beliefs and how our faith guides our actions. It is incumbent upon all to demonstrate the highest level of integrity and honesty in the conduct of their responsibilities.

All who work on behalf of the Parish have a responsibility to administer the Parish affairs with their best skill, care and judgment for the highest benefit of the Parish. That is, there exists between a Parish, its Finance Council and its administrators, a fiduciary duty, which carries with it the broad and unbending duties of care and loyalty. Members of the Parish Finance Council and its various sub-committees (e.g. school and building committees), and the administrators of a Parish have the responsibility of administering the affairs of their Parish conscientiously, honestly and prudently (see Pastoral Handbook of the Archdiocese of Denver, Chapter 1 – Section 1.2.1 and 1.2.3. and Chapter 10 – Section 10.26.). To this end, the members of the Parish Finance Council and Parish staff are obliged to exercise their best care, skill, and judgment for the sole benefit of the Parish. Those persons shall exercise good faith in all transactions involved in their duties, and they shall not use their positions with the Parish or knowledge gained therefrom to benefit personally. The interests of their Parish must be the first priority in all decisions and actions.

SECTION 2: “RESPONSIBLE PERSONS”

This policy statement elaborates on the Archdiocesan Pastoral Handbook Conflict of Interest requirements to adopt policies to address conflicts of interest, and is directed not only to the Pastor of the Parish and Finance Council members, but also to all employees and committee members who influence the actions of the Parish (“Responsible Persons”). For example, this would include all who make purchasing decisions, all persons who might be described as administrators, including anyone who has proprietary information concerning the Parish.

SECTION 3: “RELATED PARTIES”

For purposes of this policy, “Related Parties” include the following: a Responsible Person’s spouse, parent, child or spouse of a child, grandchildren, great-grandchildren, a brother or sister,

(whole or half-blood), or a spouse of brother or sister, grandchild or great-grandchild; any corporation or organization of which the Responsible Person is a board member, an officer, a partner, participates in the management of, or is employed by, or is, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and, any trust or other estate in which a Responsible Person has a substantial beneficial interest or as to which the Responsible Person serves as a trustee or in a similar capacity.

SECTION 4: AREAS IN WHICH CONFLICT MAY ARISE

Conflicts of interest may arise in the financial relations of Responsible Persons of the Parish with any of the following third parties and/or in the following contexts:

1. Persons and firms supplying goods, facilities and services to the Parish, whether compensated or not.
2. Persons and firms from whom the Parish leases property and/or equipment.
3. Persons and firms with whom the Parish is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Donors or probable donors of the Parish.
5. Agencies, organizations and associations which affect the operations of the Parish.
6. A Responsible Person who acts as a board member, an officer, a partner, participates in the management of or is employed by, or is, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and any trust or other estate in which a Responsible Person has a substantial beneficial interest or as to which a Responsible Person serves as a trustee or in a similar capacity.
7. Family members, friends and other employees.
8. Responsible Persons use for personal advantage or for the advantage of any other group, organization or business any confidential information or material acquired in the course of carrying out the Responsible Person's responsibilities with the Parish. Such information may include, but is not limited to, roster or mailing lists, telephone directories, business plans, information regarding donors, and confidential board proceedings.

SECTION 5: NATURE OF CONFLICT OF INTEREST

A conflict of interest transaction means: contract, transaction, or other financial relationship between the Parish and a Responsible Person, or between the Parish and a Related Party, or between the Parish and an entity in which the Responsible Person is a director or officer or has a financial interest.

Such conflict of interest transaction might arise through:

1. Owning stock or holding debt or other proprietary interests in any third-party dealing with the Parish.

2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third-party (for profit and non-profit entities) dealing with the Parish.
3. Receiving remuneration for services with respect to individual transactions involving the Parish.
4. Using the Parish's time, personnel, equipment, supplies, or good will for other than Parish approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with the Parish. Generally, receipt of any gift of a value greater than \$100.00 is disapproved unless it could not be refused without discourtesy or falls within the exception for gifts of appreciation to clergy for their good works, with no expectation of economic benefit by the person or entity making the gift (see Gift Disclosure form for more guidance).
6. Gaining confidential information from their positions used for personal benefit, including rosters, mailing lists, telephone directories, business plans, information regarding donors, and confidential board proceedings.

SECTION 6: INTERPRETATION OF THIS STATEMENT OF POLICY

The areas in which conflicts of interest may arise as listed in Section 4, and the nature of such conflicts, as listed in Section 5, are not exhaustive. Conflicts might arise in other areas or through other relationships. It is the responsibility of the Responsible Person to recognize such areas and relationships. This conflict of interest policy is intended to supplement, but not replace, any applicable federal or state laws affecting conflicts of interest.

The fact that one of the interests described in Section 5 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances, it is necessarily adverse to the interests of the Parish.

However, it is the policy of the Parish and the pastor that the existence of any of the interests described in Section 5 shall be disclosed before any transaction is consummated. It shall be the continuing obligation of the Responsible Person to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures according to this policy as periodically revised.

SECTION 7: DISCLOSURE POLICY AND PROCEDURE

Transactions involving parties with whom a conflict of interest exists may be undertaken only if all of the following are observed (as applicable):

1. The potential conflict of interest is fully disclosed;
2. The person with the conflict of interest is excluded from the substantive discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and,

4. The Parish has determined that the transaction is in the best interest of the overall organization.

No loans shall be made by the Parish to its council members, staff, administrators or clergy. Any member of the Parish Finance Council or of its sub-committees, or the administration of the Parish who assents to or participates in the making of any such loan shall be liable to the Parish for the amount of such loan until the repayment thereof.

These policies are issued and pertain to all who work at the Parish. Anyone who is concerned about a potential or real conflict of interest should report their concerns to the pastor. Specifically, disclosure, in writing, in the case of Parish staff should be made to the Parish pastor who shall bring the matter to the attention of the Parish Finance Council. Disclosure involving the Parish Finance Council or its sub-committee members should be made to the Finance Council chair, (or if the Finance Council chair is the one with the conflict, then to the pastor) who shall bring these matters to the Finance Council. If the conflict includes the pastor, the Vicar for Clergy for the Archdiocese of Denver must be notified. Ultimately, the Parish Finance Council shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized or recommended. The advice of the Parish Finance Council on these matters will rest with the pastor in his sole discretion. However, the pastor and the Parish Finance Council's sole concern must be the welfare of the Parish and the advancement of its mission.

The minutes of the meetings of the Parish Finance Council and all related sub-committees shall contain the following, when applicable:

1. The names of the persons who, disclosed or otherwise, were found to have an actual or potential conflict of interest in connection with a proposed transaction or arrangement, the nature of the interest, any action taken to determine whether a conflict of interest existed, and the board's or committee's decision as to whether a conflict of interest in fact existed and whether the conflict of interest is waived.
2. The names of the persons who were present for the discussions and votes relating to the transaction or arrangement, a summary of the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings

SECTION 8: ANNUAL SUBMISSIONS

No later than September 15th of each new fiscal year, all Responsible Persons will be required to sign and submit to the Office of the Parish pastor the following forms, which are attached hereto and incorporated herein:

- Conflict of Interest Disclosure Statement
- Gift Policy Disclosure Form

_____ Parish (the Parish)

CONFLICT OF INTEREST DISCLOSURE STATEMENT
(Attached to and incorporated in the Parishes within the Territory of the
Archdiocese of Denver Conflict of Interest Policy)

Preliminary note: In order to be more comprehensive, this Disclosure Statement also requires you to provide information with respect to certain parties that are related to you. These persons are termed “Related Parties” and include the following:

- a) your spouse, parent, child or spouse of a child, a brother or sister, grandchildren or great-grandchildren (whole or half-blood), or a spouse of brother or sister;
- b) any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and
- c) any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

1. NAME OF RESPONSIBLE PERSON: **(Please print your name)**

2. CAPACITY: _____ Parish Finance Council member
 _____ Member of a Parish Finance Council sub-committee (e.g. Development, Building or Steering committees¹)
 _____ Pastor
 _____ Other (Business Manager, Bookkeeper, School Principal)

3. Have you or any of your Related Parties provided services, other than as an employee, or property to the Parish in the past year?

_____ YES _____ NO

If yes, please describe the nature of the services or property and if a Related Party is involved, the identity of the Related Party and your relationship with that person or entity:

¹ Required only if such committees are approving and advising of financial related matters (e.g. fundraising, contracts)

4. Have you or any of your Related Parties purchased services or property from the Parish in the past year?

_____ YES _____ NO

If yes, please describe the purchased services or property and if a Related Party is involved, the identity of the Related Party and your relationship with that person or entity:

5. Please indicate whether you or any of your Related Parties had or were planning to have any direct or indirect interest in any business transaction(s) in the past year to which the Parish was or is a party?

_____ YES _____ NO

If yes, describe the transaction(s) and if a Related Party is involved, the identity of the Related Party and your relationship with that person or entity:

6. Were you or any of your Related Parties indebted to pay money to the Parish at any time in the past year (other than travel advances or commitments in Parish capital campaigns or the like)?

_____ YES _____ NO

If yes, please describe the indebtedness and if a Related Party is involved, the identity of the Related Party and your relationship with that person or entity:

7. In the past year, did you or any of your Related Parties receive, or become entitled to receive, directly or indirectly, any personal benefits from the Parish or as a result of your relationship with the Parish, that in the aggregate could be valued in excess of \$150.00, that were not or will not be compensation directly related to your duties to the Parish?

_____ YES _____ NO

If yes, please describe the benefit(s) and if a Related Person is involved, the identity of the Related Party and your relationship with that person or entity:

8. Are you or any of your Related Parties a party to or do you or any of your Related Parties have an interest in any pending legal proceedings involving the Parish?

_____ YES _____ NO

If yes, please describe the proceeding(s) and if a Related Party is involved, the identity of the Related Party and your relationship with that person or entity:

9. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by the Parish's Finance Council in accordance with the terms and intent of the Parish's Conflict of Interest Policy?

_____ YES _____ NO

If yes, please describe the situation(s) and if a Related Party is involved, the identity of the Related Party and your relationship with that person or entity:

I HERBY CONFIRM that I have read and understand the Parish's Conflict of Interest Policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will immediately notify either the Parish Pastor (if I am a Parish staff person), the Parish Finance Council Chair (if I serve on the Parish Finance Council or any of its committees) as specified by the Parish's Conflict of Interest Policy. If the conflict of interest includes the Parish Pastor, I will notify the Vicar for Clergy of the Archdiocese of Denver.

Signature

Date

Parish (the Parish)
Parishes within the Territory of the Archdiocese of Denver

GIFT POLICY AND DISCLOSURE FORM

As part of its Conflict of Interest Policy, the Parishes within the territory of the Archdiocese of Denver (the “Archdiocese”) requires that Responsible Persons and their Related Parties decline to accept certain personal gifts, consideration or remuneration from individuals or companies that seek to do business with the Parish. This policy and disclosure form is intended to implement the prohibition on gifts.

Section 1. “Responsible Person” is any person serving as a trustee, officer, director, administrator or committee member of the Parish.

Section 2. “Related Party” is a spouse, parent, child or spouse of a child, or a brother, sister, or spouse of a brother or sister, or a grandchild or great-grandchild of a Responsible Person.

Section 3. “Contract or Transaction” is any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, receipt of a loan or grant, or the establishment of any other pecuniary relationship. The making of a gift to the Parish is not a “contract” or “transaction.”

Section 4. Prohibited gifts, gratuities and entertainment. With the exception of gifts to clergy given out of appreciation for their service and good works (and given with no expectation of economic benefit on the part of the individual/entity making the gift), and except as approved by the Parish Pastor (for Parish staff) or by either the Pastor or the Chairperson of the Parish Finance Council (for Finance Council members), gifts gratuities or entertainment that are greater than \$150.00 should not be accepted unless they cannot be refused without discourtesy. If there is a question of discourtesy, the individual should immediately consult his/her supervisor, the Parish Pastor and/or the Chairperson of the Parish Finance Council, as appropriate. Likewise, any gift, gratuity or entertainment offered of \$150.00 or less that is accepted should also be immediately disclosed to the Pastor or, Chairperson, as appropriate. Only in rare and pre-approved circumstances may a Responsible Person or Related Party shall accept gifts, gratuities, entertainment or other favors from any person or entity which:

1. Seeks to do business with the Parish or,
2. Seeks to compete with the Parish or,
3. Is seeking to receive a Contract or transaction with the Parish.

GIFT STATEMENT

I have not received, nor has any Related Party received, any such gifts, entertainment or other favors during the preceding year, unless approved by the designated positions noted in Section 4 above. Furthermore, I certify that I have read the above policy concerning gifts, and I agree that I will not accept, nor will any Related Party accept, gifts, entertainment or other favors from any individual or entity, which would be prohibited by the above policy.

Signature

Date

Exhibit III

Records and Information Management (RIM) Policy

Purpose

It is the policy of the Archdiocese of Denver (“the Archdiocese”) to use and maintain records and information in accordance with Canon (Church) law, federal and state laws, regulations, and operating requirements. This Records and Information Management Policy (“Policy”) has been established to ensure that the Archdiocese (i) retains records and information to meet appropriate legal obligations and operational requirements, and (ii) routinely disposes of unnecessary records and information in the normal course of business under the approved and current Records Retention Schedule.

It is also the Policy of the Archdiocese to suspend disposition of records and information in the event of legal action, litigation, audit, or government investigation, even though they have reached the end of their approved retention time period. Resumption of normal retention and disposition practices are to be reinstated upon notification that the “hold” has been lifted.

This Policy is a part of the Archdiocese’s Records and Information Management Program (the “Program”) that also includes standards, procedures, and the Records Retention Schedule. This Policy supersedes all existing policies pertaining to records and information management. Failure to comply with this Policy may result in severe consequences for the Archdiocese. It could also result in disciplinary action for those who do not comply, up to and including termination. Any individual subject to this Policy who becomes aware of a violation of this Policy shall promptly report the violation to the Office of the Chancellor.

Scope

This Policy is the policy of the Archdiocese of Denver, a Colorado corporation sole, and the policy of the Archdiocese of Denver Management Corporation, a nonprofit corporation. This Policy is to be adhered to by Archdiocesan Personnel. The term “Archdiocesan Personnel” as used in this Policy refers collectively to clergy, lay employees, volunteers, agents, contractors, and third parties who work directly for, or on behalf of, the Archdiocese and the Archdiocese of Denver Management Corporation and who have Archdiocesan records and information in their custody or control.

POLICY STATEMENT

Records serve as evidence of Archdiocese decisions, actions, and transactions. The Archdiocese must maintain certain types of records and information for specified periods of time pursuant to business, legal and regulatory requirements. These records and information are key resources, regardless of format, that are critical to conducting the mission of the Archdiocese since they may:

- Provide evidence of the Archdiocese’s transactions
- Document the Archdiocese’s policies and procedures
- Allow the Archdiocese to refer to past documentation to make informed decisions

- Provide Archdiocesan Personnel with the information necessary to respond quickly and effectively to parishes
- Demonstrate that the Archdiocese acts in accordance with its own policies and in adherence with Canon Law
- Support the Archdiocese's actions and decisions during investigation, legal action, litigation, and audit

Accountability and Responsibility

The *Office of the Chancellor* oversees the Records and Information Management Program and is responsible for the development, implementation, and the management of the Program, including but not limited to the management and maintenance of the Records Retention Schedule, development of records management standards and procedures, training, compliance audits, and approval of Policy exceptions. In the event of vacancy in the Office of the Chancellor, the Chief Operating Officer, or other such Archbishop designee, will be responsible for the Records and Information Management Program.

The *Director of the Archdiocese of Denver Management Corporation's Legal Department* ("Legal Department"), in collaboration with outside counsel, is responsible for the decision-making authority related to the preservation and the safekeeping of records and information that are subject to a Legal Hold.

In collaboration with *Information Technology*, the *Office of the Chancellor* will provide guidance and support in the application of this Policy and the Records Retention Schedule to electronic information.

All Archdiocesan Personnel who maintain and manage Archdiocese records and information will fully comply with this Policy and communicate its requirements to parties who maintain records and information on behalf of the Archdiocese. All Archdiocesan Personnel are responsible for managing and protecting the Archdiocese records and information under their custody in accordance with this Policy, completing any required training regarding this Policy and its related procedures, and asking questions of the Legal Department or the Chancellor when uncertain of how to comply with the requirements.

Department / Office Heads are responsible for ensuring compliance with this Policy within the department or office. The Department / Office heads will facilitate communication and training to help ensure that Department / Office employees are familiar with and comply with this Policy and its related procedures, that this Policy and its related procedures are fully implemented in his/her area.

STANDARDS

Record Ownership

- All records and information received or created on behalf of the Archdiocese in the normal course business are the Archdiocese's property and do not belong to individual Archdiocesan Personnel or third parties.
- Archdiocesan Personnel who have Archdiocesan records and information in their custody must return the records and information to the Archdiocese upon request or when leaving the Archdiocese. Third parties must also return the Archdiocese records and information to the Archdiocese upon request or termination of service.

Records Retention Schedule

- The Records Retention Schedule is the Archdiocese standard for retention and disposition of all the Archdiocese records and information.
- New or enhanced offices or departments shall be evaluated to ensure the records and information associated with those office or departments are included in the Records Retention Schedule.
- Archdiocesan Personnel shall notify the Office of the Chancellor of additional or new record types that need to be evaluated for inclusion in the Records Retention Schedule.

Retention and Disposition

- Records and information shall be retained and disposed of in a systematic manner, in accordance with the Archdiocese's approved Records Retention Schedule. All exceptions or exemptions to the Records Retention Schedule must be approved by the Office of the Chancellor.
- Records and information shall be disposed of at the end of the retention time period as defined by the Records Retention Schedule unless destruction is suspended in accordance with a Legal Hold.
- Once a record has been finalized, drafts, duplicates and working copies should not ordinarily be retained, unless required by an office procedure or by a Legal Hold.

Protection and Access

- All records and information will be maintained in an organized manner to ensure that they can be located and used when needed.
- Records must remain readable, retrievable, and accessible throughout their required retention time period.
- Records shall be protected in safe and secure conditions appropriate for the information. Records vital to the Archdiocese's operations and of historical significance should be protected and preserved in a manner commensurate with their importance to the Archdiocese.

- All records and information of sensitive nature, or records defined as personal information, are to be handled, stored, and disposed of in a manner commensurate with their level of confidentiality.

Training

- Archdiocesan Personnel will receive records and information management training as appropriate to their job duties.

Legal Hold

- In case of reasonably anticipated or active litigation, legal actions, audits or investigations, the Archdiocese will comply with its Legal Hold Policy and related procedures.

Compliance

- This Policy will be monitored for compliance on a regular basis by the Archdiocese and the Archdiocese of Denver Management Corporation.

DEFINITIONS

“Records and Information” refers to any type of information created or maintained by or on behalf of the Archdiocese in the transaction of its business or the conduct of its affairs and kept as evidence of such activity. This Policy applies to all records and information, regardless of media or format, including paper and electronic records.

“Non-Records” refers to information with little to no organizational value and not subject to canon, federal, or state law. Non-Records are not included in Records Retention Schedules and shall be retained no longer than 3 years.

“Legal Hold” is the process used by the Legal Department to preserve relevant information when litigation is reasonably anticipated. A Legal Hold overrides all destruction of records. It includes a Legal Hold Notice issued by or at the direction of the Legal Department or outside counsel for the Archdiocese advising Archdiocesan Personnel to retain and preserve particular categories of records until the Legal Department advises that retention is no longer required for the Legal Hold.

“Records Retention Schedule” is a listing of records and information by category that sets forth the time period they are to be retained to meet applicable Canon, federal and state legal requirements as well as Archdiocese operational needs. The Records Retention Schedule identifies how long records and information must be retained and when they should be discarded or destroyed, unless subject to a Legal Hold.